

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
P.O. Box 2415
Washington, DC 20013-2415

Notice FC-84

For: State and County Offices

Program Loan Cost Expense (PLCE) Funds for FY 1997 Allocation

Approved by: Deputy Administrator, Farm Credit Programs

Carolyn B. Potkiewicz

1 Overview

**A
Background**

The FY 1997 funding methodology to allocate funds was based on each State Office Farm Credit Programs' caseload, delinquencies, inventory property levels, and obligation of FY 1996 PLCE funds. PLCE funds are only allocated to those States which have an Ag Credit Director.

**B
Purpose**

This notice:

- contains the allocation of FY 1997 contractual and noncontractual PLCE funds (Exhibit 1) to State Offices
- establishes the first quarter funding limits.

2 PLCE Accounts

**A
Account Types**

Each State allocation is divided into 3 nontransferable accounts, each with its own specific purpose and designated loan cohort. It is imperative to keep these fund purposes in mind when planning the timing of obligations and disbursements throughout the FY. The three PLCE accounts for each State are as follows:

- ACIF Program Account (nonrecoverable)
- ACIF Direct Loan Financing Account (recoverable)
- ACIF Liquidating Account (recoverable).

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Disposal Date

October 1, 1997

Distribution

State Offices; State Offices relay to applicable County Offices and Ag Credit Teams

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2 PLCE Accounts (Continued)

B

Account Descriptions

The Program Account ("A" account) is used to pay PLCE's that are not chargeable to a borrower or inventory property account.

The Direct Loan Financing Account ("R" account) is used to pay PLCE's that are chargeable to a borrower or inventory property account in which the loan was obligated in FY 1992 or subsequent years.

The Liquidating Account ("L" account) is used to pay PLCE's that are chargeable to a borrower or inventory property account in which the loan was obligated before FY 1992.

Note: The oldest outstanding loan will be the factor for determining which recoverable account ("L" or "R" account) will be charged the expense.

3 PLCE Activities

A

PLCE Types

To understand where specific contractual and noncontractual costs should be charged, and if the cost is recoverable or nonrecoverable, see FmHA Instruction 2024-A, Exhibit D.

B

Guaranteed Loan Expenses

Funding for PLCE recoverable guaranteed loan expenses are not allocated. To process a recoverable guaranteed loan cost expense, contact the National Office for instructions.

C

Environmental Services

All PLCE funds for environmental expenses and related program authorities for approval by the Administrator will be maintained in the National Office. These requests for environmental services must be sent to DAFCP. All other PLCE funds for environmental expenses and related program authorities will be maintained at the State, District, or County level. SED must forward all claims and judgment requests to DAFCP through the appropriate Area Office.

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3 PLCE Activities (Continued)

D

Program Activity Authorizations

Exhibit 2 is the latest draft of FmHA Instruction 2024-A, Exhibit D. Offices shall use Exhibit 2 until the information is incorporated in an FSA handbook.

Note: The authorities in the program authority tables referring to specific positions under the former FmHA are redelegated to the FSA Farm Credit Program officials; that is, the former FmHA Farmer Programs Chief is now FSA Ag Credit Director, etc.

If additional program authority is needed to use PLCE funds, SED must forward a written request to DAFCP through the appropriate Area Office. For obligating and controlling funds, tracking expenses, and determining program authority, each type of expense must be identified by a unique program authority code (PAC). PAC consists of 4 consecutive alphanumeric characters. For explanation on development of PAC, refer to FmHA Instruction 2024-A, Exhibit D.

E

Processing Requests

All requests for contractual and noncontractual PLCE expenses must be processed using FmHA 1955-62. FmHA 1955-62 is applicable for either contractual or noncontractual expenses and for contract amendments. See the current Forms Manual Insert for FmHA 1955-62. The form will be revised in the near future. As an option, use AD-700 in place of FmHA 1955-62 for processing PLCE expenses.

F

Funding Limits

Exhibit 1 contains the State's first quarter funding limits by account, which is 50 percent of the State's total FY 1997 allocation. The National Office plans to allocate up to 100 percent in the second quarter. SED must not exceed the first quarter amounts in Exhibit 1 before December 31, 1996.

After careful review of each State's allocation, it is believed that sufficient funding is available through the first quarter. However, if additional funding is required, SED must FAX a written request to Michael R. Hinton, LMD through the appropriate Area Office. Funding limits for the second quarter will be provided by December 31, 1996.

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3 PLCE Activities (Continued)

G

**State Office
Action**

Each State Office must determine the best method to:

- certify PLCE fund availability through the State Office Farm Credit Programs area
 - suballocate the allocation to various areas, such as Appraisal Staffs, LRTF, and Ag Credit Teams.
-

H

Responsibilities

The Farm Credit Programs liaison is responsible for monitoring obligations and disbursements of PLCE allocated monies by account to avoid violation of the Anti-Deficiency Act. Specifically, the State Office Farm Credit Programs section is responsible for determining and documenting how these monies will best be used to meet program goals and objectives, and are accountable for the proper use of these monies.

State Offices are required to issue a State Notice identifying their method, naming the program official to certify PLCE fund availability, and if these funds are suballocated, distributing amounts by program and account.

Contact

A

**National Office
Contact**

For questions about this notice; State Office officials shall contact Mike Hinton or Jerry Moseman through the Area Office.

FY 1997 Program Loan Cost Allocations

	Program Account A Funds		Financing Account R Funds		Liquidating Account L Funds	
	First Quarter	FY 1997 Total	First Quarter	FY 1997 Total	First Quarter	FY 1997 Total
Alabama	\$31,317	\$62,635	\$18,074	\$36,148	\$67,870	\$135,741
Alaska	\$8,862	\$17,724	\$193	\$387	\$522	\$1,045
Arizona	\$41,293	\$82,587	\$16,189	\$32,379	\$197,365	\$394,730
Arkansas	\$129,474	\$258,948	\$59,799	\$119	\$303,168	\$606,336
California	\$175,609	\$315,218	\$55,273	\$110,545	\$695,756	\$1,391,512
Colorado	\$81,603	\$163,206	\$28,226	\$56,451	\$193,718	\$387,437
Delaware/MD	\$17,746	\$35,493	\$9,485	\$18,969	\$49,768	\$99,536
Florida	\$67,177	\$134,354	\$32,350	\$64,699	\$346,637	\$693,275
Georgia	\$97,827	\$195,653	\$49,469	\$98,938	\$255,965	\$511,931
Hawaii	\$6,425	\$12,851	\$3,820	\$7,641	\$32,595	\$65,189
Idaho	\$83,350	\$166,700	\$28,345	\$56,689	\$229,983	\$459,966
Illinois	\$94,991	\$189,983	\$37,014	\$74,028	\$226,165	\$452,330
Indiana	\$73,565	\$147,129	\$24,234	\$48,468	\$151,537	\$303,073
Iowa	\$253,136	\$506,273	\$103,931	\$207,861	\$700,867	\$1,401,733
Kansas	\$125,828	\$251,656	\$54,197	\$108,395	\$296,855	\$593,710
Kentucky	\$89,708	\$179,417	\$29,240	\$58,480	\$160,624	\$321,248
Louisiana	\$152,249	\$304,499	\$73,705	\$147,411	\$358,360	\$716,720
Maine	\$27,193	\$54,386	\$12,482	\$24,965	\$77,827	\$155,654
Mass./CT/RI	\$21,839	\$43,678	\$314,611	\$629,221	\$217,943	\$435,885
Michigan	\$175,926	\$351,851	\$34,486	\$68,971	\$244,143	\$488,286
Minnesota	\$255,807	\$511,615	\$98,368	\$196,736	\$670,490	\$1,340,981
Mississippi	\$292,474	\$584,949	\$72,822	\$145,644	\$427,467	\$854,935
Missouri	\$192,861	\$385,722	\$218,877	\$437,754	\$403,531	\$807,062
Montana	\$164,775	\$329,550	\$30,366	\$60,732	\$214,794	\$429,589
Nebraska	\$156,287	\$312,574	\$55,614	\$111,228	\$357,097	\$714,194
Nevada	\$8,789	\$17,579	\$3,124	\$6,248	\$62,820	\$125,639
New Jersey	\$15,182	\$30,364	\$6,466	\$12,933	\$100,627	\$201,254
New Mexico	\$40,451	\$80,902	\$101,367	\$202,734	\$120,806	\$241,612
New York	\$137,095	\$274,190	\$91,341	\$182,681	\$724,586	\$1,449,172
North Carolina	\$94,970	\$189,940	\$35,831	\$71,662	\$305,405	\$610,809
North Dakota	\$189,184	\$378,367	\$78,069	\$156,138	\$420,616	\$841,233
Ohio	\$39,763	\$79,526	\$14,781	\$29,562	\$92,740	\$185,479
Oklahoma	\$238,392	\$476,784	\$86,569	\$173,137	\$508,761	\$1,017,522
Oregon	\$113,926	\$227,852	\$19,651	\$39,301	\$140,631	\$281,263
Pennsylvania	\$100,261	\$200,521	\$27,737	\$55,475	\$144,758	\$289,569
South Carolina	\$58,946	\$117,892	\$25,141	\$50,281	\$135,937	\$271,874
South Dakota	\$188,596	\$377,191	\$77,141	\$154,281	\$478,039	\$956,078
Tennessee	\$64,867	\$129,734	\$32,832	\$65,664	\$160,238	\$320,477
Texas	\$362,779	\$725,559	\$169,344	\$338,689	\$800,642	\$1,601,283
Utah	\$22,066	\$44,132	\$10,432	\$20,864	\$60,466	\$120,932
Vermont/NH	\$20,962	\$41,924	\$60,520	\$121,040	\$174,195	\$348,390
Virginia	\$49,778	\$99,556	\$21,666	\$43,332	\$135,291	\$270,581
Washington	\$99,589	\$199,177	\$30,197	\$60,395	\$231,748	\$463,496
West Virginia	\$24,624	\$49,248	\$11,693	\$23,387	\$57,323	\$114,645
Wisconsin	\$155,278	\$310,556	\$75,433	\$150,867	\$436,392	\$872,785
Wyoming	\$33,143	\$66,286	\$19,203	\$38,406	\$80,910	\$161,820
American Samoa	\$124,034	\$248,069	\$40,292	\$80,585	\$245,994	\$491,989
Guam	\$1,300,000	\$2,600,000	\$1,000,000	\$2,000,000	\$2,500,000	\$5,000,000
Total	\$6,300,000	\$12,600,000	\$3,500,000	\$7,000,000	\$15,000,000	\$30,000,000

Draft of FmHA Instruction 2024-A, Exhibit D

Program Authority to Contract and Make Noncontractual
Payments for Farmer/Emergency Designation ProgramsTable D-4
Page 1

Code	Contract Purpose	Code	Detail	Program Activity				
				Proc	Serv	Cust	Acq	Inv
A	Inspection	1	Real Estate	S	S	S	S	S
		2	Chattel	S	S	S	S	S
		3	Crop	S	S	S	S	S
		4	Repairs					
		5	Construction					
		6	Supervisory					
B	Appraisals	1	Real Estate	S	S	S	S	S
		2	Chattel	S	S	S	S	S
		3	Crop	S	S	S	S	S
C	Analysis & Audits	1	Yearend Analysis/Reports/Audits		S			
		2	Subordination		S			
		3	Graduation		S			
		4	Farm Management Specialist	S	S	S	S	
		5	Debt Settlement		S	S	S	
		6	Budget Plan	S	S	S	S	S
		7	Financial Analysis	S	S	S	S	
		8	Payment Assistance Review					
		9	Account Auditing/CPA Studies					
		A	Other Than Above	S	S	S	S	S
D	Information Services	1	Tax Report & Record Documentation	S	S			
		2	Data Processing/Info Gathering	S	S	S	S	S
		3	Comparable and Market Studies	S	S	S	S	S
		4	Advertising	SDC	SD	SDC	SDC	SD
		5	Cost Estimators					
		6	Cost Certification					
		7	Review of Annual Reports					
		8	Wage Match					
E	Other Services	1	Architect & Engineering					
		2	Surveying		S	S	S	S
		3	Investigation		S	S	S	S
		4	Bankruptcy		S	S	S	
		5	Foreclosure (Non-Judicial State) (Note 1)		S	S	S	
		6	Title Search		SD	SDC	SDC	SD
		7	Trustee Agent (Foreclosure Actions)		S	S	S	
		8	Auctioneer (Note 7)			SDC	SDC	SD

Authorities: A = Administrator; S = State Director; D = District Direct; C = County Supervisor; Blank = No Authority

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Draft of FmHA Instruction 2024-A, Exhibit D (Continued)

Program Authority to Contract and Make Noncontractual
Payments for Farmer/Emergency Designation Programs

Table D-4
Page 2

Code	Contract Purpose	Code	Detail	Program Activity				
				Proc	Serv	Cust	Acq	Inv
E	Other Services	9	Interpreter Services	S	S	S	S	S
		A	Mediation (No State Program)	SDC	SDC	SDC	SDC	SD
		B	Attorney Serv. Foreclosure (Judicial) (Note 1)					
		C	Evictions					
		D	Spec. Writing					
		E	Supervisory Visits					
F	Maintenance/ Management	1	Property Management/Caretaking			SDC	SDC	SD
		2	Hauling			SDC	SDC	SD
		3	Temporary Custodial			SDC	SDC	
		4	Other			S	S	S
G	Repairs/ Improvements	1	Onsite (Note 3)			SDC	SDC	SD
		2	Offsite			SDC	SDC	SD
H	Real Estate Brok (Exclve Listing)	1	Commission			SDC	SDC	SD
		2	Bonus			S	S	S
I	Real Estate Brok (Open Listing)	1	Commission			SDC	SDC	SD
		2	Bonus			S	S	S
J	Environmental (Contractual or Noncontractual) (Note 2)	1	NEPA - Environmental Assessments	A	A			A
		2	NEPA - Environmental Impact Statements	A	A			A
		3	Miscellaneous NEPA Studies	S	S			S
		4	Archeological Surveys	S	S			S
		5	Miscellaneous Historical Preservation Activities	S	S			S
		6	Endangered Species Studies	S	S			S
		7	Wetland Delineations	S	S			S
		8	Preliminary Assessments (Notes 3 & 5)					S
		9	Site Inspections and Remedial					S
		A	Remedial Actions (Notes 3 & 5)					S
		B	Removal Actions (Notes 3, 5, & 6)			S		S
		C	Emergency Response Activities			S		S
		D	Underground Storage Tank Removals			S		S
		E	Underground Storage Tank Corrective Actions					S
		F	Lead Based Paint Testing and Inspections					S
		G	Lead Based Paint Abatement Activs. (Note 5)					S
		H	Transaction Screen Questionnaire	S	S	S	S	S
		I	Phase I Environ. Site Assessments (Note 4)	S	S	S	S	S
		J	Phase II Environmental Site Assessments	S	S	S	S	S

Authorities: A = Administrator; S = State Director; D = District Direct; C = County Supervisor; Blank = No Authority

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Draft of FmHA Instruction 2024-A, Exhibit D (Continued)

Program Authority to Contract and Make Noncontractual
Payments for Farmer/Emergency Designation ProgramsTable D-4
Page 3

Code	Contract Purpose	Code	Detail	Program Activity				
				Proc	Serv	Cust	Acq	Inv
K	Asset	1	Large Debt Settlement		S			
	Investigation	2	Debt Settlement		S			
L-M	Reserved							
N	Noncontractual	1	Real Estate Taxes		SDC	SDC	SDC	SD
	Payments	2	Personal Property Taxes		SDC	SDC	SDC	SD
	(Note 2)	3	Insurance		SDC	SDC	SDC	SD
		4	Prior and Junior Liens		SDC	SDC	SDC	SD
		5	Recording, Filing		SDC	SDC	SDC	SD
		6	Mediation (State Certified Program)	SDC	SDC	SDC	SDC	SD
		7	Land Acquisition					S
		8	Authorized Selling Expenses		SDC	SDC	SDC	SD
		9	Protective Advance		S	S	S	S
		A	Utilities			SDC	SDC	SD
		B	Other					
		C	Selling Points					S
		D	Co-Pay/Homestead Appraisals		S			
O-X	Reserved							
Y	Managerial	1	Credit Reports	S	S			
Z	Other	1	Miscellaneous	A	A	A	A	A

Authorities: A = Administrator; S = State Director; D = District Director; C = County Supervisor; Blank = No Authority

Notes:

- 1) Includes cost reimbursement.
- 2) An employee does not need a contracting officer warrant to process noncontractual charges.
- 3) These activities applicable for response actions conducted pursuant to the Comprehensive Environmental Response Compensation, and Liability Act (CERCLA), Resource Conservation and Recovery Act (RCRA), and Toxic Substance Control Act (TSCA) or State laws governed by these statutes. All response actions shall be conducted by environmental professionals.
- 4) These activities refer to due diligence investigations conducted to evaluate real property for the presence of contamination in loan processing/servicing activities.
- 5) These activities are conducted on inventory properties and refer to pre-remedial and remedial actions conducted pursuant to environmental statutes listed in Note 3.
- 6) These activities may be conducted on custodial property to protect the Agency's security interest.
- 7) District (D) and County (C) program authority is limited to \$15,000 per property; Administrator (A) and State Director (S) have no limit.

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Draft of FmHA Instruction 2024-A, Exhibit D (Continued)

Recoverability of Program Loan Cost Expenses
for Farmer/Emergency Designation ProgramsTable D-7
Page 1

Code	Contract Purpose	Code	Detail	Program Activity				
				Proc	Serv	Cust	Acq	Inv
A	Inspection	1	Real Estate	N	N	R	R	N
		2	Chattel	N	N	R	R	N
		3	Crop	N	N	R	R	N
		4	Repairs					
		5	Construction					
		6	Supervisory					
B	Appraisals	1	Real Estate	N	N	R	R	N
		2	Chattel	N	N	R	R	N
		3	Crop	N	N	R	R	N
C	Analysis & Audits	1	Yearend Analysis/Reports/Audits		N			
		2	Subordination		N			
		3	Graduation		N			
		4	Farm Management Specialist	N	N	R	R	
		5	Debt Settlement		N	R	R	
		6	Budget Plan	N	N	R	R	N
		7	Financial Analysis	N	N	R	R	
		8	Payment Assistance Review					
		9	Account Auditing/CPA Studies					
D	Information Services	A	Other Than Above	N	N	R	R	N
		1	Tax Report & Record Documentation	N	N			
		2	Data Processing/Info Gathering	N	N	R	R	N
		3	Comparable and Market Studies	N	N	R	R	N
		4	Advertising	N	N	R	R	R
		5	Cost Estimators					
		6	Cost Certification					
		7	Review of Annual Reports					
E	Other Services	8	Wage Match					
		1	Architect & Engineering					
		2	Surveying		N	R	R	N
		3	Investigation		N	R	R	N
		4	Bankruptcy		N	R	R	
		5	Foreclosure (Non-Judicial State)		N	R	R	
		6	Title Search		N/R	R	R	N
		7	Trustee Agency (Foreclosure Actions)		R	R	R	
		8	Auctioneer			R	R	R

Recoverability: N = Nonrecoverable; R = Recoverable; Blank = No Authority

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Recoverability of Program Loan Cost Expenses
for Farmer/Emergency Designation ProgramsTable D-7
Page 2

Code	Contract Purpose	Code	Detail	Program Activity				
				Proc	Serv	Cust	Acq	Inv
E	Other Services	9	Interpreter Services	N	N	N	N	N
		A	Mediation (No State Program)	N	N	R	R	N
		B	Attorney Serv. Foreclosure (Judicial)					
		C	Evictions					
		D	Spec. Writing					
		E	Supervisory Visits					
F	Maintenance/ Management	1	Property Management/Caretaking			R	R	N
		2	Hauling			R	R	N
		3	Temporary Custodial			R	R	
		4	Other			R	R	N
G	Repairs/ Improvements	1	Onsite			R	R	R
		2	Offsite			R	R	R
H	Real Estate Brok (Exclve Listing)	1	Commission			R	R	R
		2	Bonus			R	R	R
I	Real Estate Brok (Open Listing)	1	Commission			R	R	R
		2	Bonus			R	R	R
J	Environmental (Contractual or Noncontractual)	1	NEPA - Environmental Assessments	N	N			N
		2	NEPA - Environmental Impact Statements	N	N			N
		3	Miscellaneous NEPA Studies	N	N			N
		4	Archeological Surveys	N	N			N
		5	Miscellaneous Historical Preservation Activities	N	N			N
		6	Endangered Species Studies	N	N			N
		7	Wetland Delineations	N	N			N
		8	Preliminary Assessments					R
		9	Site Inspections and Remedial					R
		A	Remedial Actions					R
		B	Removal Actions			R		R
		C	Emergency Response Activities			R		R
		D	Underground Storage Tank Removals			R		R
		E	Underground Storage Tank Corrective Actions					R
		F	Lead Based Paint Testing and Inspections					N
		G	Lead Based Paint Abatement Activities					R
		H	Transaction Screen Questionnaire	N	N	R	R	N
		I	Phase I Environmental Site Assessments	N	N	R	R	N
		J	Phase II Environmental Site Assessments	N	N	R	R	N

Recoverability: N = Nonrecoverable; R = Recoverable; Blank = No Authority

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Recoverability of Program Loan Cost Expenses
for Farmer/Emergency Designation Programs

Table D-7
Page 3

Code	Contract Purpose	Code	Detail	Program Activity				
				Proc	Serv	Cust	Acq	Inv
K	Asset	1	Large Debt Settlement		N			
	Investigation	2	Debt Settlement		N			
L-M	Reserved							
N	Noncontractual	1	Real Estate Taxes		R	R	R	R
	Payments	2	Personal Property Taxes		R	R	R	R
		3	Insurance		R	R	R	R
		4	Prior and Junior Liens		N/R	R	R	R
		5	Recording, Filing		N/R	R	R	R
		6	Mediation (State Certified Program)	N	N	R	R	N
		7	Land Acquisition					R
		8	Authorized Selling Expenses		R	R	R	R
		9	Protective Advance		N/R	R	R	N
		A	Utilities			R	R	N
		B	Other					
		C	Selling Points					R
		D	Co-Pay/Homestead Appraisals		N			
O-X	Reserved							
Y	Managerial	1	Credit Reports	R	N			
Z	Other	1	Miscellaneous	N/R	N/R	R	R	N

Recoverability: N = Nonrecoverable; R = Recoverable; Blank = No Authority